



# Journal of the House

State of Indiana

115th General Assembly

First Regular Session

Twenty-third Meeting Day

Thursday Morning

February 22, 2007

The House convened at 10:00 a.m. with Speaker B. Patrick Bauer in the Chair.

The Speaker stated, "Having conferred with the Attorney General and no objection raised, the temporary House policy while the prayer lawsuit is pending in the courts will be a scripted prayer."

The Speaker read a prayer for guidance and insight (printed January 8, 2007).

The Pledge of Allegiance to the Flag was led by Representative W. Vern Tinch.

The Speaker ordered the roll of the House to be called:

Austin	Gutwein
Avery	E. Harris
Bardon	T. Harris
Battles	Herrell
Behning ☐	Hinkle
Bell	Hoy
Bischoff	Kersey
Borders	Klinker
Borror	Knollman
Bosma	Koch
C. Brown	Kuzman
T. Brown	L. Lawson
Buck	Lehe
Buell	Leonard
Burton	Lutz
Candelaria Reardon	Mays
Cheatham	McClain
Cheney	Micon
Cherry	Moses
Cochran	Murphy
Crawford	Neese
Crooks	Niezgodski
Crouch	Noe ☐
Davis	Orentlicher
Day	Oxley
Dembowski	Pelath
Denbo	Pflum
Dermody	Pierce
Dickinson	Pond
Dobis	Porter
Dodge	Reske
Duncan	Richardson
Dvorak	Ripley
Eberhart	Robertson
Elrod	Ruppel
Espich	Saunders
Foley	M. Smith
Friend	V. Smith
Frizzell	Soliday
Fry	Stemler
GiaQuinta	Stevenson
Goodin	Stilwell
Grubb	Stutzman

Summers  
Thomas  
Thompson  
Tinch  
Torr  
Turner  
Tyler

Ulmer  
VanHaaften  
Walorski  
Welch  
Whetstone  
Wolkins ☐  
Mr. Speaker

Roll Call 208: 97 present; 3 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

## HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Friday, February 23, 2007, at 10:00 a.m.

MOSES

Motion prevailed.

## ENGROSSED HOUSE BILLS ON THIRD READING

### Engrossed House Bill 1647

Representative Porter called down Engrossed House Bill 1647 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

The bill was read a third time by sections and placed upon its passage.

## HOUSE MOTION (Amendment 1647-3)

Mr. Speaker: I move that Engrossed House Bill 1647 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 4, delete lines 23 through 30.

Page 5, line 7, delete "A" and insert "A state educational institution shall waive tuition for a student who completes up to five (5) courses under IC 20-12-13-6 or this chapter. However, a".

Page 5, line 8, delete "four (4)" and insert "five (5)".

Page 5, line 9, after "." insert "A state educational institution is entitled to reimbursement for the costs incurred to deliver courses under this chapter that are taken:

(1) at a state educational institution; and

(2) by a student for whom the state educational institution has waived tuition.

The school corporation in which the student described in subdivision (2) resides shall pay the individual's tuition during each year the individual is included in the school corporation's ADM."

Renumber all SECTIONS consecutively.

(Reference is to HB 1647 as printed February 13, 2007.)

PORTER

There being a two-thirds vote in favor of the motion, the motion prevailed.

## COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred Engrossed House Bill 1647, begs leave to report that said bill has been amended as directed.

## PORTER

Report adopted.

The question then was, Shall the bill pass?

Roll Call 209: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Alting, Lubbers, and Sipes.

**Engrossed House Bill 1456**

Representative Klinker called down Engrossed House Bill 1456 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 210: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Becker, Hume, Alting, and Sipes.

The Speaker yielded the gavel to the Deputy Speaker Pro Tempore, Representative E. Harris.

Representative Behning, who had been excused, was present.

**Engrossed House Bill 1812**

Representative Pierce called down Engrossed House Bill 1812 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning energy.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 211: yeas 49, nays 48. The bill failed for lack of a constitutional majority.

Representative Bardon was excused.

**Engrossed House Bill 1804**

Representative Pierce called down Engrossed House Bill 1804 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 212: yeas 90, nays 6. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Landske and Broden.

**Engrossed House Bill 1778**

Representative Summers called down Engrossed House Bill 1778 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 213: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Lubbers, Dillon, and Rogers.

**Engrossed House Bill 1510**

Representative VanHaaften called down Engrossed House Bill 1510 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 214: yeas 74, nays 23. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Riegsecker and Simpson.

**Engrossed House Bill 1763**

Representative Pierce called down Engrossed House Bill 1763 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources and to make an appropriation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 215: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Merritt.

**Engrossed House Bill 1762**

Representative Friend called down Engrossed House Bill 1762 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 216: yeas 96, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Jackman and Lewis.

**Engrossed House Bill 1728**

Representative Niezgodski called down Engrossed House Bill 1728 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 217: yeas 87, nays 7. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Broden.

**Engrossed House Bill 1726**

Representative Dembowski called down Engrossed House Bill 1726 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning public safety and to make an appropriation.

The bill was read a third time by sections and placed upon its

passage. The question was, Shall the bill pass?

Roll Call 218: yeas 93, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Heinold and Sipes.

### **Engrossed House Bill 1557**

Representative Burton called down Engrossed House Bill 1557 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Representatives Borror, Espich, and Whetstone were excused from voting, pursuant to House Rule 46. Roll Call 219: yeas 91, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Paul.

### **Engrossed House Bill 1710**

Representative Herrell called down Engrossed House Bill 1710 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and commercial law.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Representatives Borror, Espich, Stemler, and Whetstone were excused from voting, pursuant to House Rule 46. Roll Call 220: yeas 88, nays 3. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Paul and Lanane.

### **Engrossed House Bill 1664**

Representative GiaQuinta called down Engrossed House Bill 1664 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 221: yeas 93, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Wyss and Broden.

Representative Goodin was excused.

### **Engrossed House Bill 1663**

Representative Buell called down Engrossed House Bill 1663 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning health.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 222: yeas 93, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Miller and Breau.

Representative Goodin was present.

### **Engrossed House Bill 1659**

Representative Austin called down Engrossed House Bill 1659 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 223: yeas 85, nays 9. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Jackman, Lanane, Becker, and Simpson.

## **RESOLUTIONS ON FIRST READING**

### **House Concurrent Resolution 25**

Representatives C. Brown and T. Brown introduced House Concurrent Resolution 25:

A CONCURRENT RESOLUTION urging efforts to provide meaningful assistance to help identify and enroll children who qualify for Medicaid or the Indiana Children Health Insurance Program.

*Whereas, The Legislature of the State of Indiana regards the health of our children to be of paramount importance to families in our State;*

*Whereas, The Legislature of the State of Indiana regards poor child health as a threat to the educational achievement, social and psychological well being of the children of our State;*

*Whereas, The Legislature of the State of Indiana considers protecting the health of our children to be essential to the well-being of our youngest citizens and the quality of life in our State;*

*Whereas, The Legislature considers the Indiana State SCHIP Program, which has enrolled Indiana's uninsured children since its inception, to be an integral part of the arrangements for health benefits for the children of the State of Indiana;*

*Whereas, The Legislature recognizes the value of the Indiana State SCHIP Program in preserving child wellness, preventing and treating childhood disease, improving health outcomes, and reducing overall health costs; and*

*Whereas, The Legislature of the State of Indiana considers the federal funding available for the Indiana State SCHIP Program to be indispensable to providing health benefits for children of modest means: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Legislature urges the Members of Indiana's delegation to the United States Congress to ensure that the Congress timely reauthorizes the State Children Health Insurance Program (SCHIP) to assure federal funding for the Indiana State SCHIP Program.

SECTION 2. That the Legislature urges the Governor to use his best efforts to work with the Indiana delegation to ensure that SCHIP is reauthorized in a timely manner.

SECTION 3. That the Legislature proclaims that all components of State government should work together with educators, health care providers, social workers, and parents to ensure that all available public and private assistance for providing health benefits to uninsured children in the State be used to the maximum extent possible.

SECTION 4. That the Legislature urges the Governor to use his efforts to provide meaningful assistance to help identify and

enroll children who qualify for Medicaid or the Indiana State SCHIP Program.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Rogers.

The House recessed until the fall of the gavel.

## RECESS

The House reconvened at 3:30 p.m. with the Speaker in the Chair.

Representative Wolkins, who had been excused, was present.

The Speaker ordered the roll of the House to be called to determine the presence or absence of a quorum. Roll Call 224: 76 present.

## ENGROSSED HOUSE BILLS ON THIRD READING

### Engrossed House Bill 1656

Representative Mays called down Engrossed House Bill 1656 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

The bill was read a third time by sections and placed upon its passage.

#### HOUSE MOTION (Amendment 1656-6)

Mr. Speaker: I move that Engrossed House Bill 1656 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 12, delete lines 12 through 20.

Page 12, line 21, delete "(k)" and insert "(j)".

(Reference is to HB 1656 as reprinted February 20, 2007.)

#### MAYS

There being a two-thirds vote in favor of the motion, the motion prevailed.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred Engrossed House Bill 1656, begs leave to report that said bill has been amended as directed.

#### MAYS

Report adopted.

The question then was, Shall the bill pass?

Roll Call 225: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Sipes and Weatherwax.

The Speaker yielded the gavel to the Speaker Pro Tempore, Representative Dobis.

### Engrossed House Bill 1654

Representative Dembowski called down Engrossed House Bill 1654 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 226: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Steele and Lanane.

### Engrossed House Bill 1653

Representative Dembowski called down Engrossed House Bill 1653 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 227: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Rogers.

### Engrossed House Bill 1633

Representative Wolkins called down Engrossed House Bill 1633 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning health.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 228: yeas 94, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Mishler.

### Engrossed House Bill 1623

Representative Oxley called down Engrossed House Bill 1623 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 229: yeas 86, nays 10. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Delph and Simpson.

### Engrossed House Bill 1608

Representative VanHaaften called down Engrossed House Bill 1608 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 230: yeas 88, nays 9. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Hershman and Deig.

### Engrossed House Bill 1434

Representative Candelaria Reardon called down Engrossed House Bill 1434 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

The bill was read a third time by sections and placed upon its

passage. The question was, Shall the bill pass?

Roll Call 231: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Landske, Rogers, and Mrvan.

### **Engrossed House Bill 1503**

Representative Orentlicher called down Engrossed House Bill 1503 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 232: yeas 98, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators C. Lawson and Simpson.

### **Engrossed House Bill 1551**

Representative Avery called down Engrossed House Bill 1551 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 233: yeas 54, nays 45. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators C. Lawson and Deig.

### **Engrossed House Bill 1521**

Representative Moses called down Engrossed House Bill 1521 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles and local government.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 234: yeas 98, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Kruse and Hume.

The House recessed until the fall of the gavel.

## **RECESS**

The House reconvened at 6:05 p.m. with the Speaker Pro Tempore, Representative Dobis, in the Chair.

The Speaker ordered the roll of the House to be called to determine the presence or absence of a quorum. Roll Call 235: 88 present.

Representative Pelath announced a meeting of the Committee on Rules and Legislative Procedures.

Representatives Bosma and Friend requested that the House recess during the meeting of the rules committee rather than proceed with bills on third reading.

The House recessed until the fall of the gavel.

## **RECESS**

The House reconvened at 7:30 p.m. with the Speaker in the Chair.

## **ENGROSSED HOUSE BILLS ON THIRD READING**

### **Engrossed House Bill 1001**

Representative Crawford called down Engrossed House Bill 1001 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

The bill was read a third time by sections and placed upon its passage.

Representative Whetstone requested a quorum call. A quorum was not present. The Speaker left the voting machine open to allow additional members to indicate their presence.

The House recessed until the fall of the gavel.

## **RECESS**

The House reconvened at 8:00 p.m. with the Speaker in the Chair.

The Speaker ordered the roll call, which had been in progress, to be tallied. Roll Call 236: 74 present.

## **ENGROSSED HOUSE BILLS ON THIRD READING**

### **COMMITTEE REPORT**

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rule 149 and recommends that House Rule 149 and all other applicable House Rules be suspended so that Engrossed House Bill 1001 may be amended on third reading by consent of a constitutional majority of members. Thereafter, upon motion of the author, Engrossed House Bill 1001 may be recommitted to a committee of one with special instructions to amend by vote of a constitutional majority.

PELATH, Chair

On the request of Representative Bosma, Representative Crawford withdrew the call of Engrossed House Bill 1001 while the report of the Committee on Rules and Legislative Procedures was under consideration.

## **RULES SUSPENSION**

### **COMMITTEE REPORT**

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rule 149 and recommends that House Rule 149 and all other applicable House Rules be suspended so that Engrossed House Bill 1001 may be amended on third reading by consent of a constitutional majority of members. Thereafter, upon motion of the author, Engrossed House Bill 1001 may be recommitted to a committee of one with special instructions to amend by vote of a constitutional majority.

PELATH, Chair

### **PROTEST**

We hereby protest the suspension of House Rule 149, pursuant to the committee report of the Rules Committee, as is our right under the Indiana Constitution, Article 4, Section 26 and to have such protest with the accompanying reasons for

dissent entered into the House Journal.

The Rules Committee and, therefore, the majority, has undertaken an enormous breach of House tradition today. In order to expeditiously pass a budget, they have undertaken to suspend a House Rule, rather than to use other, less extreme means to reach the same end. The majority has until Monday, February 26, 2007, to pass the budget on second reading. The deadline for third readings of House bills in the House is Tuesday, February 27, 2007. Rather than pursue the normal course of our House calendar, the majority has undertaken this highly unusual and extraordinary action of changing the House rules to accomplish their goal of passing a state budget by the February 27 deadline.

It is possible for the majority to amend the budget in a timely manner, in conformance with House rules that guarantee an open process and full opportunity for public awareness and public comment. Instead, the majority party has chosen to trample the rights of the minority, and has trampled the rights of the majority of Hoosiers represented by the minority. This is a sad day in the history of the Indiana House of Representatives.

This is an action unprecedented in recent history. It is a flagrant violation of House tradition and an unnecessary step in passing a budget, where there is still time in an existing schedule to do so.

/s/ by Representatives Bosma, Friend, Richardson, Behning, Bell, Borders, Borror, T. Brown, Buck, Buell, Burton, Cherry, Crouch, Davis, Dermody, Dodge, Duncan, Eberhart, Elrod, Espich, Foley, Frizzell, Gutwein, T. Harris, Hinkle, Knollman, Koch, Lehe, Leonard, Lutz, McClain, Murphy, Neese, Pond, Ripley, Ruppel, Saunders, M. Smith, Soliday, Stutzman, Thomas, Thompson, Torr, Turner, Ulmer, Walorski, Whetstone, and Wolkins.

The question was, Shall the report of the Committee on Rules and Legislative Procedures be adopted? Upon request of Representatives Bosma and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 237: yeas 51, nays 47. Report adopted.

#### HOUSE MOTION

Mr. Speaker: I move that House Rule 149 and all other applicable House Rules be suspended so that Engrossed House Bill 1001 may be amended on third reading by consent of a constitutional majority of members. Thereafter, upon motion of the author, Engrossed House Bill 1001 maybe recommitted to a committee of one with special instructions to amend by vote of a constitutional majority.

PELATH

Upon request of Representatives Bosma and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 238: yeas 51, nays 48. Motion prevailed. Rule 149 and all other applicable House Rules were suspended.

*[Journal Clerk's Note: House Rule 8 requires that a motion to suspend any rule must be carried a two-thirds vote of the members except the "suspension of any rule recommended by the Committee on Rules and Legislative Procedures may be adopted by a constitutional majority of the House." ]*

### ENGROSSED HOUSE BILLS ON THIRD READING

#### Engrossed House Bill 1001

Representative Crawford called down Engrossed House Bill 1001 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

The bill was reread a third time by sections and placed upon its passage.

#### HOUSE MOTION (Amendment 1001-26)

Mr. Speaker: I move that Engrossed House Bill 1001 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 84, between lines 44 and 45, begin a new line blocked left and insert:

**"There is appropriated to the department of education one million dollars (\$1,000,000) from the state general fund for distribution to Penn-Harris-Madison School Corporation for remediation beginning July 1, 2007, and ending June 30, 2008, and one million dollars (\$1,000,000) from the state general fund for distribution to Penn-Harris-Madison School Corporation for remediation beginning July 1, 2008, and ending June 30, 2009. The amount appropriated in this paragraph shall be treated as supplementing the amount distributed to the school corporation for remediation under the formula and components of the formula for distributing funds and does not reduce the amount that the school corporation would otherwise receive under the formula. The amount appropriated under this paragraph shall be distributed at the same time as other money for remediation is distributed to the school corporation."**

Page 135, delete lines 37 through 48.

Page 136, delete lines 1 through 25.

Page 171, delete lines 26 through 48.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as reprinted February 22, 2007.)

CRAWFORD

There being a constitutional majority voting in favor of the motion, the motion prevailed.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred Engrossed House Bill 1001, begs leave to report that said bill has been amended as directed.

CRAWFORD

Report adopted.

The question then was, Shall the bill pass?

Roll Call 239: yeas 51, nays 48. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senator Meeks, Mrvan, Kenley, and Simpson.

With consent of the members, the Speaker returned to bills on second reading.

### HOUSE BILLS ON SECOND READING

The following bills were called down by their respective authors, were read a second time by title, and, there being no amendments, were ordered engrossed: House Bills 1012, 1047, 1177, 1196, 1230, 1248, 1256, 1278, 1288, 1417, 1429, 1471, 1538, 1563, 1657, 1739, 1742, and 1808.

#### House Bill 1835

Representative VanHaften called down House Bill 1835 for second reading. The bill was read a second time by title.

#### HOUSE MOTION (Amendment 1835-1)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 12, between lines 41 and 42, begin a new paragraph and insert:

**"SECTION 12. IC 4-33-13-1.7 IS ADDED TO THE**

INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 1.7. (a) This section applies only to an operating agent operating a riverboat in a historic hotel district.**

**(b) This section applies to a state fiscal year beginning after June 30, 2007, and ending before July 1, 2012.**

**(c) An operating agent is entitled to a daily credit against the operating agent's wagering tax liability under section 1.5 of this chapter. The amount of the credit allowed under this section for a particular day is equal to the amount of admissions taxes remitted by the operating agent for that day.**

**(d) A credit allowed under this section for a particular day must be claimed by subtracting the amount of admissions taxes remitted for that day from the amount of wagering taxes that must be remitted for that day. The credit must be claimed by the operating agent in the manner and form prescribed by the department on the operating agent's tax return or returns.**

**(e) If the amount of the credit determined under this section for a particular day exceeds the amount of wagering taxes remitted by the operating agent for that day, the amount of the excess may be carried forward to a later day."**

Page 39, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 29. [EFFECTIVE JULY 1, 2007] The department of state revenue may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement IC 4-33-13-1.7, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following:

**(1) The date specified in the temporary rule.**

**(2) The date that another temporary rule adopted under this SECTION or a rule adopted under IC 4-22-2 supersedes or repeals the temporary rule.**

**(3) July 1, 2008."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

VAN HAAFTEN

Motion prevailed.

The Speaker yielded the gavel to the Deputy Speaker Pro Tempore, Representative E. Harris.

#### HOUSE MOTION (Amendment 1835-3)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 31, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 16. IC 35-45-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in subsection (b), a person who:

**(1) knowingly or intentionally owns, manufactures, possesses, buys, sells, rents, leases, repairs, or transports a gambling device, or offers or solicits an interest in a gambling device;**

**(2) before a race, game, contest, or event on which gambling may be conducted, knowingly or intentionally transmits or receives gambling information by any means, or knowingly or intentionally installs or maintains equipment for the transmission or receipt of gambling information; or**

**(3) having control over the use of a place, knowingly or intentionally permits another person to use the place for professional gambling;**

commits promoting professional gambling, a Class D felony.

**(b) Subsection (a)(1) does not apply to a boat manufacturer who:**

**(1) transports or possesses a gambling device solely for the purpose of installing that device in a boat that is to be sold and transported to a buyer; and**

**(2) does not display the gambling device to the general public or make the device available for use in Indiana.**

**(c) When a public utility is notified by a law enforcement agency acting within its jurisdiction that any service, facility, or equipment furnished by it is being used or will be used to violate this section, it shall discontinue or refuse to furnish that service, facility, or equipment, and no damages, penalty, or forfeiture, civil or criminal, may be found against a public utility for an act done in compliance with such a notice. This subsection does not prejudice the right of a person affected by it to secure an appropriate determination, as otherwise provided by law, that the service, facility, or equipment should not be discontinued or refused, or should be restored.**

**(d) Subsection (a)(1) does not apply to a person who:**

**(1) possesses an antique slot machine;**

**(2) restricts display and use of the antique slot machine to the person's private residence; and**

**(3) does not use the antique slot machine for profit.**

**(e) As used in this section, "antique slot machine" refers to a slot machine that is:**

**(1) at least forty (40) years old; and**

**(2) possessed and used for decorative, historic, or nostalgic purposes."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 16, 2007.)

TORR

Motion prevailed.

#### HOUSE MOTION (Amendment 1835-14)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 1. IC 4-31-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) A person may not conduct, assist, or aid or abet in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless that person secures a recognized meeting permit under this chapter.

**(b) The commission may not issue a recognized meeting permit for:**

**(1) an activity other than horse racing meetings; or**

**(2) horse racing meetings conducted at:**

**(A) the state fairgrounds during a state fair; or**

**(B) a county fairgrounds.**

However, subdivision (2) does not prohibit the commission from issuing a recognized meeting permit for races to be conducted at the state fairgrounds at times when a fair is not in session.

**(c) The commission may not issue more than two (2) recognized meeting permits under this chapter."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

T. HARRIS

Motion prevailed.

#### HOUSE MOTION (Amendment 1835-12)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 22, line 13, delete "chapter;" and insert "**chapter to the treasurer of state for deposit in the excessive property tax credit relief account established under IC 4-35-12;**"

Page 22, line 14, delete ";

Page 22, run in lines 14 through 15.

Page 24, line 19, delete "chapter;" and insert "**chapter to the treasurer of state for deposit in the excessive property tax**

**credit relief account established under IC 4-35-12;".**

Page 24, line 20, delete ";".

Page 24, run in lines 20 through 21.

Page 27, line 20, delete "state general fund." and insert **"excessive property tax credit relief account established under IC 4-35-12."**

Page 27, line 37, delete "state general fund." and insert **"excessive property tax credit relief account established under IC 4-35-12."**

Page 34, between lines 21 and 22, begin a new paragraph and insert:

**"Chapter 12. Excessive Property Tax Credit Relief Account**

**Sec. 1. As used in this chapter, "account" refers to the excessive property tax credit relief account established under section 2 of this chapter.**

**Sec. 2. As used in this chapter, "political subdivision" has the meaning set forth in IC 6-1.1-1-12.**

**Sec. 3. The excessive property tax credit relief account is established as an account within the general fund. The account consists of amounts deposited under:**

**(1) IC 4-35-5-8(1);**

**(2) IC 4-35-6-10(1); and**

**(3) IC 4-35-8-4(b) or IC 4-35-8-5(b)(4), as applicable.**

**Sec. 4. The department of local government finance shall administer the account. The department of local government finance shall invest the money in the account not currently needed to meet the obligations of the account in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the account. Money in the circuit breaker relief account does not revert to the state general fund at the end of a state fiscal year.**

**Sec. 5. Not later than June 30 of each calendar year, the department of local government finance shall distribute the lesser of:**

**(1) the total amount of all reductions of property tax collections certified to the department of local government finance under IC 6-1.1-20.6-9.5(c)(2); or**

**(2) the money in the fund;**

**to all political subdivisions pro rata as determined on the basis of the amount of the reduction in property tax collections certified to the department of local government finance under IC 6-12.1-20.6-9.5(c)(2) for each political subdivision.**

**Sec. 6. Money in the account is continuously appropriated for the purposes of this chapter.**

SECTION 15. IC 6-1.1-20.6-9.5, AS ADDED BY P.L.162-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9.5. (a) This section applies only to credits under this chapter against property taxes first due and payable after December 31, 2006.

(b) The application of the credit under this chapter results in a reduction of the property tax collections of each political subdivision in which the credit is applied. A political subdivision may not increase its property tax levy to make up for that reduction.

(c) The county auditor shall, ~~in~~ **not later than April 30 of** each calendar year:

**(1) notify each political subdivision in which the credit under this chapter is applied of the reduction of property tax collections referred to in subsection (b) for the political subdivision for that year; and**

**(2) certify to the department of local government finance the reduction of property tax collections referred to in subsection (b) for each political subdivision in the county for that year.**

(d) A political subdivision may not borrow money to compensate the political subdivision or any other political subdivision for the reduction of property tax collections referred

to in subsection (b).".

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

T. HARRIS

Upon request of Representatives T. Harris and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 240: yeas 46, nays 52. Motion failed.

**HOUSE MOTION**  
(Amendment 1835-9)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 5, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 10. IC 4-33-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. "Riverboat" means ~~either~~ **any** of the following on which lawful gambling is authorized under this article:

(1) A self-propelled excursion boat located in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) that complies with IC 4-33-6-6(a).

(2) A vessel located in a historic hotel district.

**(3) A casino that:**

**(A) operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2);**

**(B) is approved for construction under IC 4-33-6-22; and**

**(C) complies with IC 4-33-6-6(c).**

SECTION 11. IC 4-33-6-6, AS AMENDED BY P.L.170-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) **Except as provided in subsection (c),** a riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

(1) have either:

(A) a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; or

(B) a valid certificate of compliance with marine structural and life safety standards determined by the commission; and

(2) be at least one hundred fifty (150) feet in length.

(b) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

**(c) A riverboat (as defined by IC 4-33-2-17(3)) that is approved for construction under section 22 of this chapter must be constructed in accordance with all applicable building codes.**

SECTION 12. IC 4-33-6-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 22. (a) As used in subsections (c) and (d), "riverboat" has the meaning set forth in IC 4-33-2-17(3).**

**(b) This section does not apply to the construction of a riverboat described in IC 4-33-2-17(1) or IC 4-33-2-17(2).**

**(c) After June 30, 2007, a licensed owner must apply for and receive the commission's approval before constructing a new riverboat.**

**(d) The commission may not approve an application submitted under this section unless the licensed owner's new riverboat will be located within three hundred (300) yards of the licensed owner's dock.**

**(e) The commission shall adopt rules governing the procedure a licensed owner must follow to apply for the approval required by this section.**

SECTION 13. IC 4-33-6-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23. (a) As used in**



subsections (c) and (d), "riverboat" has the meaning set forth in IC 4-33-2-17(3).

(b) This section does not apply to a riverboat described in IC 4-33-2-17(1) or IC 4-33-2-17(2).

(c) This section applies only to a riverboat that is:

(1) approved for construction under section 22 of this chapter; and

(2) constructed after June 30, 2007.

(d) A licensed owner may not conduct gambling operations on a riverboat subject to this section unless the licensed owner pays to the commission a fee of fifty million dollars (\$50,000,000).

(e) The commission shall transfer all fees collected under this section to the treasurer of state for deposit in the Hoosier hope trust fund established under IC 21-48-6."

Page 34, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 23. IC 6-3-2-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) As used in this section, "recipient" has the meaning set forth in IC 21-48-2-13.

(b) As used in this section, "Hoosier hope grant" has the meaning set forth in IC 21-48-2-8.

(c) The amount of a recipient's obligation to repay a Hoosier hope grant that is deferred or waived in a particular taxable year under IC 21-48-4 is exempt from the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 as income of the recipient."

Page 38, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 25. IC 21-48 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### ARTICLE 48. HOOSIER HOPE SCHOLARSHIP

##### Chapter 1. Legislative Findings

Sec. 1. The general assembly finds the following:

(1) Forty-five percent (45%) of all students graduating from a public college or university in Indiana with a postsecondary degree leave Indiana upon graduation.

(2) Indiana ranks forty-fourth among all states for its share of residents at least twenty-five (25) years of age who have a baccalaureate degree.

(3) As current workers reach retirement age and Indiana's economy continues to change to meet the demands of the twenty-first century, Indiana employers will need an increasing number of highly educated workers.

(4) A scholarship program that encourages outstanding students to pursue higher education opportunities within this state and to enter this state's workforce in their chosen field of study upon graduation will improve the overall quality of life for all Indiana residents and stimulate economic growth in this state.

##### Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Academic year" has the meaning set forth in IC 20-12-21-3(1).

Sec. 3. "Applicant" means a student in grade twelve (12) who applies for acceptance into the Hoosier hope scholars program.

Sec. 4. "Commission" means the state student assistance commission established by IC 20-12-21-4.

Sec. 5. "Eligible institution of higher learning" means:

(1) a state educational institution (as defined in IC 20-12-0.5-1); or

(2) a private institution of higher education (as defined in IC 20-12-63-3).

Sec. 6. "Full-time student" means an individual enrolled

in an eligible institution of higher learning for at least twelve (12) semester credit hours in each enrollment period of an academic year at a semester based institution, or an equivalent number of hours at an institution using a different grading period.

Sec. 7. "Fund" means the Hoosier hope scholarship fund established by IC 21-48-5-1.

Sec. 8. "Hoosier hope grant" means the amount of financial assistance awarded under IC 21-48-3 to a recipient in an academic year.

Sec. 9. "Hoosier hope scholar" means an applicant who has been accepted into the Hoosier hope scholars program.

Sec. 10. "Qualified employment" means full-time employment within Indiana as determined under criteria developed by the commission.

Sec. 11. "Recipient" means a Hoosier hope scholar who is awarded a Hoosier hope grant under IC 21-48-3.

Sec. 12. "Trust" means the Hoosier hope trust fund established under IC 21-48-6.

Sec. 13. "Trustee" means a trustee of the Hoosier hope trust fund.

##### Chapter 3. Hoosier Hope Scholars Program

Sec. 1. The Hoosier hope scholars program is established.

Sec. 2. (a) To be accepted into the Hoosier hope scholars program, an applicant must:

(1) be a resident of Indiana as determined by the commission;

(2) be enrolled in grade twelve (12) or its equivalent at:

(A) a public or nonpublic accredited school in Indiana; or

(B) a nonaccredited nonpublic school in Indiana;

(3) qualify as an outstanding scholar under the criteria established by the commission;

(4) intend to pursue a course of study at an eligible institution of higher learning that will lead to a baccalaureate or associate degree;

(5) intend to reside in Indiana and maintain qualified employment for at least three (3) years following the attainment of a baccalaureate or associate degree; and

(6) fulfill any other requirements established by the commission.

(b) The commission shall establish criteria for determining whether an applicant is an outstanding scholar. The criteria must include:

(1) SAT or ACT scores; and

(2) cumulative high school grade point averages.

(c) The commission shall develop criteria governing the acceptance of applicants who are enrolled in a nonaccredited nonpublic school in Indiana.

Sec. 3. (a) A Hoosier hope scholar is eligible to receive an initial Hoosier hope grant in an amount determined under section 5 of this chapter if the student:

(1) enrolls as a full-time student in a baccalaureate or associate degree program at an eligible institution of higher learning in the academic year immediately following the scholar's high school graduation; and

(2) agrees in writing to reside in Indiana and maintain qualified employment for at least three (3) years following the attainment of a baccalaureate or associate degree.

(b) A Hoosier hope scholar who does not enroll at an eligible institution of higher learning in the academic year immediately following the scholar's high school graduation may be granted a deferral by the commission for up to two (2) academic years. The commission shall develop criteria for granting deferrals under this subsection.

Sec. 4. A Hoosier hope grant must be renewed each academic year under procedures developed by the commission. To qualify for a grant renewal under this section, a recipient must:

- (1) remain enrolled as a full-time student in a baccalaureate or associate degree program at an eligible institution of higher learning; and
- (2) maintain a cumulative grade point average of:
  - (A) at least 3.0 on a 4.0 grading scale; or
  - (B) an equivalent average as determined by the recipient's eligible institution of higher learning.

Sec. 5. (a) The commission shall determine the amount of each grant awarded under this chapter.

(b) Subject to section 9 of this chapter, a Hoosier hope scholar enrolled in an associate degree program at an eligible institution of higher learning may be awarded a grant in the amount of two thousand five hundred dollars (\$2,500) per academic year in not more than two (2) consecutive academic years.

(c) Subject to section 9 of this chapter, a Hoosier hope scholar enrolled in a baccalaureate degree program at an eligible institution of higher learning may be awarded a grant in the amount of five thousand dollars (\$5,000) per academic year in not more than four (4) consecutive academic years.

(d) Subject to section 9 of this chapter and subsection (e), a Hoosier hope scholar who:

- (1) completes or transfers from an associate degree program at an eligible institution of higher learning; and
- (2) enrolls in a baccalaureate degree program during the next academic year at an eligible institution of higher learning;

may be awarded up to five thousand dollars (\$5,000) per academic year for two (2) consecutive years that the scholar is enrolled in the baccalaureate degree program and eligible to renew a grant under this chapter.

(e) The total amount of the grants awarded to a Hoosier hope scholar under this chapter may not exceed twenty thousand dollars (\$20,000).

Sec. 6. A Hoosier hope grant may be used by a recipient at any eligible institution of higher learning to defray any qualified higher education expenses (as defined in IC 21-9-2-19.5).

Sec. 7. (a) The amount of a Hoosier hope grant may not be reduced because a recipient receives other scholarships or forms of financial aid.

(b) The amount of any other state financial aid received by a recipient may not be reduced because the recipient receives a Hoosier hope grant.

Sec. 8. (a) The commission shall determine the number of Hoosier hope grants available in an academic year based on the amount of money available in the fund.

(b) Hoosier hope grants shall be awarded on a competitive basis. Subject to subsection (c), priority shall be given to grant renewals under section 4 of this chapter if the number of scholarship applicants exceeds the number of available grants.

(c) Each academic year, the commission shall reserve at least twenty percent (20%) of the available grants for applicants enrolling in an associate degree program at an eligible institution of higher learning. The number of grants reserved under this subsection shall be determined by the commission.

Sec. 9. The commission may from time to time adjust the amounts awarded under section 5 of this chapter to reflect increased tuition costs at state educational institutions.

#### Chapter 4. Employment Requirements

Sec. 1. (a) A recipient shall repay the commission the total amount of the grants received under this article if the recipient does not:

- (1) complete the specified associate or baccalaureate degree within the time allotted for completing the degree program by the eligible institution of higher

learning attended by the recipient; or

(2) except as provided in section 2 of this chapter, reside in Indiana and maintain qualified employment for at least three (3) consecutive years following the calendar year in which the recipient attained the specified associate or baccalaureate degree.

(b) Except as otherwise provided in this chapter, repayment shall be made to the commission within ten (10) years after the repayment period begins and shall follow a repayment schedule established by the commission.

(c) For purposes of this chapter, the repayment period begins when a recipient:

- (1) is no longer enrolled in a degree program at an eligible institution of higher learning and has not attained an associate or a baccalaureate degree;
- (2) has attained an associate or a baccalaureate degree but has not made a good faith effort to comply with the recipient's written commitment to reside in Indiana and maintain qualified employment for at least three (3) consecutive years following the calendar year in which the recipient attained the specified associate or baccalaureate degree; or
- (3) has been granted a deferment from the repayment obligation by the commission and has not made a good faith effort to comply with the recipient's written commitment to reside in Indiana and maintain qualified employment upon the termination of the deferral period.

Sec. 2. (a) The commission may waive or defer repayment in the event of disability, illness, or other extenuating circumstances, as determined by the commission, that prevent the recipient from fulfilling the employment requirements under this article.

(b) The commission shall grant a deferment from repayment to:

- (1) a recipient who is assigned military duty outside Indiana; or
- (2) a recipient whose spouse is assigned military duty outside Indiana.

(c) In determining the length of a deferment period granted under this section, the commission shall consider each recipient's individual circumstances and ability to comply with the recipient's written commitment. Deferments shall be granted in twelve (12) month increments but may not exceed a total of sixty (60) consecutive months.

Sec. 3. The commission may prorate the amount of repayment required under this chapter if the recipient has attained an associate or a baccalaureate degree and has maintained qualified employment for at least one (1) year following the calendar year in which the recipient attained the specified associate or baccalaureate degree.

Sec. 4. As provided in IC 6-3-2-21, the amount of a repayment that is waived or deferred under this chapter is exempt from taxation under IC 6-3-1 through IC 6-3-7.

#### Chapter 5. Hoosier Hope Scholarship Fund

Sec. 1. (a) The Hoosier hope scholarship fund is established to provide grants to applicants who qualify under this article.

(b) The commission shall hold, administer, and manage the fund.

(c) Expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the following:

- (1) Amounts transferred to the fund under IC 21-48-6.
- (2) Appropriations by the general assembly.
- (3) Grants and gifts intended for deposit in the fund.
- (4) Interest, premiums, gains, or other earnings on the fund.

(e) The fund is not part of the state treasury and is considered a trust fund for purposes of IC 4-9.1-1-7. Money

may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any state agency other than the commission.

(f) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to the commission to be used to award grants under this article.

Sec. 2. Money in the fund is continuously appropriated to the commission for the purposes of this article.

#### Chapter 6. Hoosier Hope Trust Fund

Sec. 1. (a) The commission shall establish a Hoosier hope trust fund to be used for the provision of Hoosier hope grants for the benefit of the people of Indiana.

(b) The trust shall be established as a charitable trust for the benevolent public purpose provided in this section.

(c) The trust consists of money received under IC 4-33-6-23 and any income that accrues from the investment of that money.

Sec. 2. The chairman of the authority shall enter into a trust agreement on behalf of the authority with the treasurer of state in conformity with IC 30-4-2-1. Any provision of the trust agreement entered into under this section that is inconsistent with the provisions or intent of this chapter is void and of no further force or effect.

Sec. 3. A trust established under this chapter must be an irrevocable trust and may not be revoked or terminated by the authority or any other person, nor may it be amended or altered by the authority or any other person. However, the terms of the trust must provide that the trust terminates when no funds remain in the trust.

Sec. 4. The treasurer of state shall act as the trustee of the trust.

Sec. 5. (a) The trustee shall:

- (1) administer and manage the trust;
- (2) invest the money in the trust; and
- (3) deposit in the trust any interest that accrues from the investment of these funds.

(b) Notwithstanding IC 5-13, the trustee shall invest the money in the trust not currently needed to meet the obligations of the trust in the same manner as money is invested by the public employees' retirement fund under IC 5-10.3-5. However, the trustee may not invest the money in the trust in equity securities. The trustee shall also comply with the prudent investor rule set forth in IC 30-4-3.5. The trustee may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the trust and may pay the state expenses incurred under those contracts from the trust.

(c) IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to a trust established under this chapter.

(d) Money in the trust at the end of a state fiscal year does not revert to the state general fund.

Sec. 6. IC 30-4 (trust code) applies to a trust established under this chapter.

Sec. 7. (a) The principal of the trust may not be diminished during the term of the trust.

(b) The income that accrues from investment of the trust shall be deposited in the trust.

(c) On July 1, 2008, and on July 1 each year thereafter, the treasurer of state shall transfer all interest, premiums, gains, or other earnings accruing to the trust during the preceding state fiscal year to the Hoosier hope scholarship fund.

Sec. 8. The statement required under IC 30-4-5-12 is a public record. The attorney general may petition for an accounting as permitted by IC 30-4-5-12.

Sec. 9. (a) This section applies if a person does any of the following with respect to a trust created under this chapter:

- (1) Commits a breach of the trust.
- (2) Violates the mandate of the trust or trust agreement.

(3) Violates a duty imposed by this chapter, the trust agreement, or IC 30-4.

(b) The attorney general may petition a court to impose one (1) or more of the remedies described in IC 30-4-5.5-1.

Sec. 10. Any records, files, or documents relating to the trust may be examined by the state board of accounts at a time selected by the state board of accounts. The trustee shall upon request of the state board of accounts:

- (1) produce and submit any records, files, or documents related to the trust; and
- (2) assist in every way the state board of accounts in its work in making an examination."

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

TURNER

Upon request of Representatives Turner and Friend, the Speaker ordered the roll of the House to be called. Roll Call 241: yeas 34, nays 61. Motion failed.

#### HOUSE MOTION (Amendment 1835-2)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 1, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 3. IC 4-31-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. The commission shall:

- (1) prescribe the rules and conditions under which horse racing at a recognized meeting may be conducted;
- (2) initiate safeguards as necessary to account for the amount of money wagered at each track or satellite facility in each wagering pool;
- (3) require all permit holders to provide a photographic or videotape recording, approved by the commission, of the entire running of all races conducted by the permit holder;
- (4) make annual reports concerning its operations and recommendations to the governor and, in an electronic format under IC 5-14-6, to the general assembly; and
- (5) carry out the provisions of IC 15-5-5.5, after considering recommendations received from the Indiana standardbred advisory board under IC 15-5-5.5.

SECTION 4. IC 4-31-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. The commission may:

- (1) adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this article, including rules that prescribe:
  - (A) the forms of wagering that are permitted;
  - (B) the number of races;
  - (C) the procedures for wagering;
  - (D) the wagering information to be provided to the public;
  - (E) fees for the issuance and renewal of:
    - (i) permits under IC 4-31-5; and
    - (ii) satellite facility licenses under IC 4-31-5.5; and
    - (iii) licenses for racetrack personnel and racing participants under IC 4-31-6;
  - (F) investigative fees;
  - (G) fines and penalties; and
  - (H) any other regulation that the commission determines is in the public interest in the conduct of recognized meetings and wagering on horse racing in Indiana;
- (2) appoint employees in the manner provided by IC 4-15-2 and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13;
- (3) enter into contracts necessary to implement this article; and
- (4) receive and consider recommendations from an

advisory development committee established under IC 4-31-11.

SECTION 5. IC 4-31-4-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1.5. (a) This section applies only if a local public question is required under section 2 ~~2.5~~; or 2.7 of this chapter.

(b) This section does not apply to ~~either of the following~~:

~~(1) a permit holder who satisfies all of the following:~~

~~(A) (1) The permit holder was issued a permit before January 2, 1996.~~

~~(B) (2) The permit holder conducted live racing before January 2, 1996.~~

~~(C) (3) The permit holder is currently operating under the permit.~~

~~(2) A person who satisfies all of the following:~~

~~(A) The person was issued a satellite facility license before January 2, 1996.~~

~~(B) The person operated a satellite facility before January 2, 1996.~~

~~(C) The person is currently operating the satellite facility under the license.~~

(c) In addition to the requirements of section 1 of this chapter, a person may not conduct or assist in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless the voters of the county in which the races are to be conducted have approved conducting a horse racing meeting using the pari-mutuel system of wagering in the county.

~~(d) In addition to the requirements of section 1.3 of this chapter, a person may not operate under a satellite facility license unless the voters of the county in which the satellite facility will be operated have approved the operation of a satellite facility in the county."~~

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 7. IC 4-31-4-2.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2.7. (a) This section does not apply to ~~either of the following~~:

~~(1) a permit holder who satisfies all of the following:~~

~~(A) (1) The permit holder was issued a permit before January 2, 1996.~~

~~(B) (2) The permit holder conducted live racing before January 2, 1996.~~

~~(C) (3) The permit holder is currently operating under the permit.~~

~~(2) A person who satisfies all of the following:~~

~~(A) The person was issued a satellite facility license before January 2, 1996.~~

~~(B) The person operated a satellite facility before January 2, 1996.~~

~~(C) The person is currently operating the satellite facility under the license.~~

(b) This section applies only if ~~either of the following apply~~:

~~(1) the recognized meeting permit is for conducting a horse racing meeting on public property.~~

~~(2) The satellite facility license is for operating a satellite facility on public property.~~

(c) As used in this section, "public property" refers to real property owned by, or not more than two (2) years before issuance of the permit or license any interest in which is transferred by, any of the following:

(1) The federal government.

(2) The state.

(3) A political subdivision (as defined in IC 36-1-2-13).

(4) An agency or instrumentality of an entity described in subdivision (1), (2), or (3).

(d) Notwithstanding any other provision of this article, the commission may not ~~do either of the following~~:

~~(1) issue a recognized meeting permit under IC 4-31-5 to allow the conducting of or the assisting of the conducting~~

of a horse racing meeting unless the voters of the county in which the public property is located have approved the conducting of recognized meetings in the county.

~~(2) Issue a satellite facility license under IC 4-31-5.5 unless the voters of the county in which the public property is located have approved the operation of a satellite facility in the county.~~

SECTION 8. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) This section does not apply to ~~either of the following~~:

~~(1) a permit holder who satisfies all of the following:~~

~~(A) (1) The permit holder was issued a permit before January 2, 1996.~~

~~(B) (2) The permit holder conducted live racing before January 2, 1996.~~

~~(C) (3) The permit holder is currently operating under the permit.~~

~~(2) A person who satisfies all of the following:~~

~~(A) The person was issued a satellite facility license before January 2, 1996.~~

~~(B) The person operated a satellite facility before January 2, 1996.~~

~~(C) The person is currently operating the satellite facility under the license.~~

(b) This section applies if either of the following apply:

(1) Both of the following are satisfied:

(A) An ordinance is adopted under section 2 ~~or 2.5~~ of this chapter.

(B) The ordinance requires the voters of the county to approve ~~either of the following~~:

~~(i) the conducting of horse racing meetings in the county.~~

~~(ii) The operation of a satellite facility in the county.~~

(2) A local public question is required to be held under section 2.7 of this chapter following the filing of a petition with the circuit court clerk:

(A) signed by at least the number of registered voters of the county required under IC 3-8-6-3 to place a candidate on the ballot; and

(B) requesting that the local public question set forth in subsection (d) be placed on the ballot.

(c) Notwithstanding any other provision of this article, the commission may not issue a recognized meeting permit under IC 4-31-5 to allow the conducting of or the assisting of the conducting of a horse racing meeting unless the voters of the county in which the property is located have approved conducting recognized meetings in the county.

(d) For a local public question required to be held under subsection (c), the county election board shall place the following question on the ballot in the county during the next general election:

"Shall horse racing meetings at which pari-mutuel wagering occurs be allowed in \_\_\_\_\_ County?"

~~(e) Notwithstanding any other provision of this article, the commission may not issue a satellite facility license under IC 4-31-5.5 to operate a satellite facility unless the voters of the county in which the satellite facility will be located approve the operation of the satellite facility in the county.~~

~~(f) For a local public question required to be held under subsection (e), the county election board shall place the following question on the ballot in the county during the next general election:~~

~~"Shall satellite facilities at which pari-mutuel wagering occurs be allowed in \_\_\_\_\_ County?"~~

~~(g) (e) A public question under this section must be certified in accordance with IC 3-10-9-3 and shall be placed on the ballot in accordance with IC 3-10-9.~~

~~(h) (f) The circuit court clerk of a county holding an election under this chapter shall certify the results determined under~~

IC 3-12-4-9 to the commission and the department of state revenue.

(i) (g) If a public question is placed on the ballot under subsection (d) or (f) in a county and the voters of the county do not vote in favor of the public question, a second public question under that subsection may not be held in the county for at least two (2) years. If the voters of the county vote to reject the public question a second time, a third or subsequent public question under that subsection may not be held in the county until the general election held during the tenth year following the year of the previous public question held under that subsection."

Page 3, delete lines 2 through 42.

Page 4, delete lines 1 through 14, begin a new paragraph and insert:

"SECTION 9. IC 4-31-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) This section does not apply to:

- (1) law enforcement officers; or
- (2) reporters or other media employees assigned to cover events at a racetrack.

(b) A person must be a licensee in order to:

- (1) participate in racing at a racetrack ~~or at a satellite facility~~ that permits the pari-mutuel form of wagering; or
- (2) work in any capacity for a permit holder or an employee or a subcontractor of a permit holder."

Page 4, line 17, strike "or a license to operate a".

Page 4, line 18, strike "satellite facility".

Page 4, line 19, strike "or the satellite facility".

Page 4, line 29, after "chapter" insert ",".

Page 4, line 29, strike "and IC 4-31-5.5,".

Page 4, strike lines 40 through 41.

Page 4, line 42, delete "(d)" and insert "(c)".

Page 5, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 11. IC 4-31-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The following equipment must be provided and maintained in good working order at each permit holder's racetrack: ~~or satellite facility, as applicable:~~

(1) A totalizer for win, place, and show wagering. The totalizer must:

- (A) be of a design approved by the commission;
- (B) be capable of registering by automatic mechanical, electric, or electronic means on central aggregators all wagers made on each horse, entry, or the field in each of the win, place, and show pools;
- (C) display the totals wagered in a manner that permits ready tabulation and recording of those totals by the commission's representative before they are cleared from the central aggregators; and
- (D) display to the public on a board running totals of amounts wagered in each of the win, place, and show pools on each entry in each race.

(2) A telephone system connecting the judges' stand with the office of the pari-mutuel plant and any other stations considered necessary by the commission.

(3) A system of bells that shall be rung from the judges' stand to signal the close of wagering.

(4) A button in the judges' stand that, when pressed, will lock ticket-issuing machines and close wagering for each race.

(b) In addition to the requirements of subsection (a), a permit holder may conduct exotic wagering only by the use of automatic mechanical, electric, or electronic devices that:

- (1) print and issue tickets evidencing individual wagers;
- (2) locally print a permanent record of the tickets issued by each machine or register on central aggregators by automatic mechanical, electric, or electronic means the total dollar value of those tickets; and

(3) permit ready tabulation and recording of those figures by the commission's representative before they are cleared from the central aggregators.

SECTION 12. IC 4-31-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) As used in this section, "host facility" means:

- (1) the racetrack at which the horse race is run; or
- (2) the facility that is designated as the host facility if the horse race is run in a jurisdiction that is not participating in the interstate combined wagering pool.

(b) As used in this section, "host jurisdiction" means the jurisdiction in which the host facility is located.

(c) As used in this section, "interstate combined wagering pool" means a pari-mutuel pool established in one (1) jurisdiction that is combined with comparable pari-mutuel pools from at least one (1) other horse racing jurisdiction.

(d) As used in this section, "racing jurisdiction" or "jurisdiction" means a governmental jurisdiction that is responsible for the regulation of pari-mutuel wagering in that jurisdiction and is a member of the Association of Racing Commissioners International.

(e) Notwithstanding any other law, the commission may authorize a permit holder to participate in an interstate combined wagering pool that is established for the purpose of establishing payoff prices in the various jurisdictions. When such a permit holder participates in an interstate combined wagering pool, the permit holder may adopt the take-out of the host jurisdiction or facility.

(f) The commission may approve types of wagering, distribution of winnings, and rules of racing for interstate combined wagering pools that are different from those that normally apply in Indiana.

(g) The commission may do the following:

(1) Allow a permit holder to use at least one (1) of the permit holder's races for an interstate combined wagering pool at locations outside the commission's jurisdiction.

(2) Allow pari-mutuel pools in other states to be combined with pari-mutuel pools in Indiana for the purpose of establishing an interstate combined wagering pool.

(h) A permit holder's participation in a combined interstate wagering pool does not cause that permit holder to be considered to be doing business in any jurisdiction other than the jurisdiction in which the permit holder is physically located.

(i) Pari-mutuel taxes or commissions may not be imposed on any amounts wagered in an interstate combined wagering pool other than amounts wagered in Indiana.

(j) Breakage for interstate combined wagering pools shall be calculated in accordance with the statutes or rules of the host jurisdiction and must be distributed among the participating jurisdictions in a manner agreed to among the jurisdictions.

~~(k) All wagers accepted by a satellite facility on races originating from a racetrack in Indiana shall be transmitted to the racetrack for inclusion in the racetrack's appropriate wagering pool for the purpose of calculating payoffs to bettors."~~

Page 5, line 5, strike "or a license to operate a satellite".

Page 5, line 6, strike "facility".

Page 5, line 8, strike "or satellite facility".

Page 5, line 13, after "racetrack" insert ",".

Page 5, line 13, strike "or satellite facility".

Page 5, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 14. IC 4-31-9-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1.5. A person that holds a permit to conduct a horse racing meeting ~~or a permit holder licensed to operate a satellite facility~~ shall retain the following amounts from the money withheld under section 1 of this chapter:

- (1) For pari-mutuel wagers made at a permit holder's racetrack on live races, an amount equal to:

(A) eight percent (8%) of the total amount of money wagered on win, place, and show pools on each racing day; plus

(B) eleven and one-half percent (11.5%) of the total amount of money wagered on exotic wagering pools on each racing day.

(2) For pari-mutuel wagers made at a permit holder's satellite facility on simulcasts of races originating from the permit holder's racetrack, an amount equal to:

(A) ten percent (10%) of the total amount of money wagered on win, place, and show pools on each day; plus

(B) thirteen and one-half percent (13.5%) of the total amount of money wagered on exotic wagering pools on each day.

(3) (2) On the simulcast of races, for the Indiana sending or Indiana receiving track, ~~or its satellite facilities~~, the amount to be retained, after deducting:

(A) pari-mutuel tax payments owed to Indiana; and

(B) the contractual obligations owed to the racetrack from which the races originated;

shall be determined, subject to the approval of the commission, by one (1) or more contracts between the applicable Indiana permit holders and the applicable horsemen's association.

SECTION 15. IC 4-31-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) At the close of each day on which a permit holder ~~or satellite facility operator~~ conducts pari-mutuel wagering on live racing or simulcasts at a racetrack, ~~or satellite facility~~, the permit holder ~~or satellite facility operator~~ shall pay to the department of state revenue a tax on the total amount of money wagered on that day as follows: equal to

(1) two percent (2%) of the total amount of money wagered on live races and simulcasts conducted at a permit holder's racetrack.

(2) ~~Two and one-half percent (2.5%) of the total amount of money wagered on simulcasts at satellite facilities, regardless of whether those simulcasts originate from Indiana or another state.~~

(b) The taxes collected under subsection (a) shall be paid from the amounts withheld under section 1 of this chapter and shall be distributed as follows:

(1) The first one hundred fifty thousand dollars (\$150,000) of taxes collected during each state fiscal year shall be deposited in the veterinary school research account established by IC 4-31-12-22.

(2) The remainder of the taxes collected during each state fiscal year shall be paid into the build Indiana fund.

(c) The tax imposed by this section is a listed tax for purposes of IC 6-8.1-1.

SECTION 16. IC 4-31-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) At the close of each day on which pari-mutuel wagering is conducted, each permit holder ~~or satellite facility operator~~ shall pay to the department of state revenue a tax equal to twenty cents (\$0.20) for each person who paid an admission charge for the privilege of entering the racetrack grounds ~~or satellite facility~~ on that day. ~~Separate computations shall be made of the number of patrons at each location.~~ If tickets are issued for more than one (1) day, the sum of twenty cents (\$0.20) shall be paid for each person using the ticket on each day that it is used.

(b) Before the fifteenth day of each month, the taxes collected under subsection (a) during the preceding month shall be distributed as follows:

(1) Fifty percent (50%) of the taxes shall be distributed in equal shares to the fiscal officers of:

(A) the city, if any;

(B) the town, if any; and

(C) the county;

in which the racetrack is located. The city, town, or county may use this money as general fund operating revenues.

(2) Fifty percent (50%) of the taxes shall be deposited in the state general fund.

(c) The tax imposed by this section is a listed tax for purposes of IC 6-8.1-1.

SECTION 17. IC 4-31-9-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) At the close of each day on which pari-mutuel wagering is conducted at a racetrack, ~~or satellite facility~~, the permit holder ~~or satellite facility operator~~ shall pay the breakage from each of the races on which wagers were taken on that day to the auditor of state for deposit in the appropriate breed development fund as determined by the rules of the commission.

(b) Not later than March 15 of each year, each permit holder ~~or satellite facility operator~~ shall pay to the commission the balance of the outs tickets from the previous calendar year. The commission shall distribute money received under this subsection to the appropriate breed development fund as determined by the rules of the commission."

Page 35, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 16. IC 7.1-2-3-16.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 16.5.

(a) As used in this section, "facility" includes the following:

(1) A facility to which IC 7.1-3-1-25(a) applies.

(2) A tract that contains a premises that is described in IC 7.1-3-1-14(c)(2).

(3) A horse track ~~or satellite facility~~ to which IC 7.1-3-17.7 applies.

(4) A tract that contains an entertainment complex.

(b) As used in this section, "tract" has the meaning set forth in IC 6-1.1-1-22.5.

(c) A facility may advertise alcoholic beverages:

(1) in the facility's interior; or

(2) on the facility's exterior.

(d) The commission may not exercise the prohibition power contained in section 16(a) of this chapter on advertising by a brewer, distiller, rectifier, or vintner in or on a facility.

(e) Notwithstanding IC 7.1-5-5-10 and IC 7.1-5-5-11, a facility may provide advertising to a permittee that is a brewer, distiller, rectifier, or vintner in exchange for compensation from that permittee."

Page 36, line 38, delete "(c)," and insert "(b),".

Page 37, strike lines 1 through 3.

Page 37, line 4, delete "(c)" and insert "(b)".

Page 37, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 23. IC 7.1-3-17.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. The commission shall issue a horse track permit ~~or a satellite facility permit~~ without regard to the quota provisions of IC 7.1-3-22.

SECTION 24. IC 7.1-3-17.7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. A horse track permit ~~or a satellite facility permit~~ is not subject to the fee limitations otherwise set forth in IC 7.1.

SECTION 25. IC 7.1-3-17.7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. A horse track permit ~~or a satellite facility permit~~ is not subject to the provisions of IC 7.1-3-21-1.

SECTION 26. IC 7.1-3-17.7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. The commission may adopt rules under IC 4-22-2 concerning the following for a horse track permit: ~~or a satellite facility permit~~:

(1) Issuance.

(2) Scope.

(3) Permit fee.

(4) Expiration.

(5) Revocation and suspension."

Page 37, line 18, after ";" insert "or".

Page 37, strike line 19.

Page 37, line 20, strike "(10)" and insert "(9)".

Page 38, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 25. IC 7.1-5-7-11, AS AMENDED BY P.L.224-2005, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) The provisions of sections 9 and 10 of this chapter shall not apply if the public place involved is one (1) of the following:

- (1) Civic center.
- (2) Convention center.
- (3) Sports arena.
- (4) Bowling center.
- (5) Bona fide club.
- (6) Drug store.
- (7) Grocery store.
- (8) Boat.
- (9) Dining car.
- (10) Pullman car.
- (11) Club car.
- (12) Passenger airplane.
- (13) Horse racetrack facility holding a recognized meeting permit under IC 4-31-5.
- ~~(14) Satellite facility (as defined in IC 4-31-2-20.5).~~
- ~~(15) (14)~~ Catering hall under IC 7.1-3-20-24 that is not open to the public.
- ~~(16) (15)~~ That part of a hotel or restaurant which is separate from a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink.
- ~~(17) (16)~~ Entertainment complex.
- ~~(18) (17)~~ Indoor golf facility.
- ~~(19) (18)~~ A recreational facility such as a golf course, bowling center, or similar facility that has the recreational activity and not the sale of food and beverages as the principal purpose or function of the person's business.
- ~~(20) (19)~~ A licensed premises owned or operated by an educational institution of higher learning (as defined in IC 20-12-15-1).
- ~~(21) (20)~~ An automobile racetrack.

(b) For the purpose of this subsection, "food" means meals prepared on the licensed premises. It is lawful for a minor to be on licensed premises in a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink if all the following conditions are met:

- (1) The minor is eighteen (18) years of age or older.
- (2) The minor is in the company of a parent, guardian, or family member who is twenty-one (21) years of age or older.
- (3) The purpose for being on the licensed premises is the consumption of food and not the consumption of alcoholic beverages.

SECTION 5. IC 12-13-14-4.5, AS AMENDED BY P.L.91-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4.5. (a) Except as provided in this section, the division may distribute cash assistance benefits to a person who is eligible for assistance under the Title IV-A assistance program through an automated teller machine or a point of sale terminal that is connected to the EBT system.

(b) The division may approve or deny participation in the EBT system by a retailer that is not a food retailer.

(c) The division may not approve participation by a retailer or financial institution in the EBT system for distribution of cash assistance under the Title IV-A assistance program through an automated teller machine or a point of sale terminal located on the premises of any of the following:

- (1) A horse racing establishment:

(A) where the pari-mutuel system of wagering is authorized; and

(B) for which a permit is required under IC 4-31-5.

~~(2) A satellite facility:~~

~~(A) where wagering on horse racing is conducted; and~~  
~~(B) for which a license is required under IC 4-31-5.5.~~

~~(3) (2)~~ An allowable event required to be licensed by the Indiana gaming commission under IC 4-32.2.

~~(4) (3)~~ A riverboat or other facility required to be licensed by the Indiana gaming commission under IC 4-33.

~~(5) (4)~~ A store or other establishment:

(A) where the primary business is the sale of firearms (as defined in IC 35-47-1-5); and

(B) that sells handguns for which a license to sell handguns is required under IC 35-47-2.

~~(6) (5)~~ A store or other establishment where the primary business is the sale of alcoholic beverages for which a permit is required under IC 7.1-3.

(d) An establishment described in subsection (c)(1) through (c)(6) shall post a sign next to each automated teller machine or point of sale terminal located in the establishment informing a potential user that the automated teller machine or point of sale terminal may not be used to receive cash assistance benefits under the Title IV-A assistance program.

(e) An:

(1) establishment that does not post the sign required under subsection (d); or

(2) individual who attempts to use an automated teller machine or point of sale terminal to access cash assistance benefits under the Title IV-A assistance program in violation of subsection (d);

commits a Class C misdemeanor.

(f) The division shall adopt rules under IC 4-22-2 to carry out this section."

Page 39, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 28. [EFFECTIVE UPON PASSAGE] (a) The definitions set forth in IC 4-31-2 apply throughout this SECTION.

(b) Notwithstanding any reference to a satellite facility that is deleted in a section of the Indiana Code that is:

(1) amended by this act; and

(2) effective before January 1, 2008;

a permit holder may continue operating a satellite facility under IC 4-31-5.5 until January 1, 2008.

(c) The Indiana horse racing commission may not renew a permit holder's license to operate a satellite facility for a calendar year beginning after December 31, 2007.

(d) A permit holder must terminate the permit holder's satellite facility operations before January 1, 2008.

(e) A permit holder shall wind up the permit holder's satellite facility operations in accordance with policies and procedures prescribed by the Indiana horse racing commission.

SECTION 29. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2008]: IC 4-31-2-20.5; IC 4-31-4-1.3; IC 4-31-4-2.5; IC 4-31-5.5."

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

TURNER

Motion failed.

HOUSE MOTION  
(Amendment 1835-5)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 19, between lines 19 and 20, begin a new paragraph and insert:

"Sec. 3. (a) This section does not apply to real or personal

property taxes imposed by a local taxing unit.

(b) Local governmental authority concerning all matters relating to the gambling operations conducted under this article is preempted by the state under this article.

(c) No tax or fee, except as provided in this article, shall be assessed or collected from a permit holder by a political subdivision having the power to assess or collect a tax or fee.

(d) A political subdivision may not enter an agreement with a permit holder that requires any financial commitments from the permit holder that are in addition to the fees and taxes imposed under this article."

(Reference is to HB 1835 as printed February 20, 2007.)

TURNER

Motion prevailed.

#### HOUSE MOTION (Amendment 1835-6)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 26, line 12, after "imposed" insert "at the rate of **thirty-seven and five-tenths percent (37.5%)**".

Page 26, line 14, after "article" insert ".".

Page 26, line 14, delete "at the rate of:".

Page 26, delete lines 15 through 22.

Page 27, line 32, delete "fifteen" and insert "**thirty-five**".

Page 27, line 32, delete "(15%)" and insert "**(35%)**".

(Reference is to HB 1835 as printed February 20, 2007.)

MOSES

Motion prevailed.

#### HOUSE MOTION (Amendment 1835-7)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 20, line 42, delete "seventy-five" and insert "**one hundred**".

Page 21, line 1, delete "(\$75,000,000)." and insert "**(\$100,000,000).**".

Page 22, line 11, delete "seventy-five" and insert "**one hundred**".

Page 22, line 11, delete "(\$75,000,000)." and insert "**(\$100,000,000).**".

(Reference is to HB 1835 as printed February 20, 2007.)

MOSES

Motion prevailed.

The Deputy Speaker Pro Tempore yielded the gavel to the Speaker.

#### HOUSE MOTION (Amendment 1835-4)

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 34, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 15. IC 4-36 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

#### ARTICLE 36. ELECTRONIC GAMING IN ESTABLISHMENTS LICENSED TO SELL ALCOHOLIC BEVERAGES

##### Chapter 1. General Provisions

Sec. 1. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through the elected and qualified members of the legislature, declares that the state is exempt from 15 U.S.C. 1172.

Sec. 2. All shipments of gambling devices authorized under

this article to licensed suppliers and establishments in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices into Indiana.

##### Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Adjusted gross receipts" means:

- (1) the total of all cash and property (including checks received by a licensee, whether collected or not) received by a licensee from gaming operations; minus
- (2) the total of:

- (A) all cash paid out as winnings to patrons; and
- (B) uncollectible gaming receivables, not to exceed the lesser of:

- (i) a reasonable provision for uncollectible patron checks received from gaming operations; or
- (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out as winnings to patrons.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the licensee from gaming operations.

Sec. 3. "Cheat" means to alter the selection of criteria that determine:

- (1) the result of a gambling game; or
- (2) the amount or frequency of payment in a gambling game.

Sec. 4. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

Sec. 5. "Department" refers to the department of state revenue.

Sec. 6. "Electronic gaming device" means an electromechanical device, an electrical device, or a machine that:

- (1) upon payment of consideration is available to play or operate;
- (2) makes payoffs in any manner, including delivery of premiums, merchandise, tokens, redeemable game credits, or anything of value to the person playing the game; and
- (3) is approved by the commission under this article.

Sec. 7. "Establishment" means a premises that is licensed to sell alcoholic beverages under IC 7.1-3 to customers for consumption on the licensed premises.

Sec. 8. "Gambling game" refers to a game played on an electronic gaming device authorized under this article.

Sec. 9. "Gambling operation" means the conduct of authorized gambling games in a licensed establishment.

Sec. 10. "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by electronic gaming patrons.

Sec. 11. "Licensee" means a person holding a license issued under this article.

Sec. 12. "Person" means an individual, a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity.

##### Chapter 3. Powers and Duties of the Commission

Sec. 1. The commission has the following powers and duties to administer, regulate, and enforce gambling operations:

- (1) All powers and duties specified by this article.
- (2) All powers necessary and proper to execute and enforce this article fully and effectively, including the power to do the following:
  - (A) Supervise and exercise jurisdiction over gambling operations within establishments licensed under this article.



- (B) Investigate and determine the eligibility of applicants for licenses and reinvestigate licensees.
- (C) Take appropriate administrative enforcement or disciplinary action against a licensee.
- (D) Investigate alleged violations of this article.
- (E) Establish fees for licenses issued under this article.
- (F) Conduct hearings.
- (G) Issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of relevant documents.
- (H) Administer oaths and affirmations to the witnesses and take depositions.
- (I) Revoke, suspend, or renew licenses issued under this article.
- (J) Hire employees to gather information, conduct investigations, and carry out other tasks under this article.

Sec. 2. The commission shall adopt rules under IC 4-22-2 concerning the following:

- (1) Administering this article.
- (2) Establishing the conditions under which gambling operations may be conducted under this article.
- (3) Preventing practices detrimental to the public interest and promoting the best interests of gambling operations authorized under this article.
- (4) Imposing penalties for noncriminal violations of this article.
- (5) Protecting or enhancing the following:
  - (A) The credibility and integrity of gambling operations authorized by this article.
  - (B) The regulatory process provided in this article.
- (6) Authorizing electronic gaming devices that are approved for gambling operations under this article.
- (7) Establishing other qualifications and procedures for granting establishment licenses under this article.

Sec. 3. (a) The commission shall do the following:

- (1) Provide for the establishment and collection of license fees and taxes imposed under this article.
- (2) Deposit the license fees and taxes in the electronic gaming fund established by IC 4-36-9-2.
- (3) Levy and collect penalties for noncriminal violations of this article.
- (4) Deposit the penalties in the electronic gaming fund established by IC 4-36-9-2.
- (5) Adopt emergency rules using the same procedure under which rules are adopted under IC 4-22-2-37.1 if the commission determines that:
  - (A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and
  - (B) an emergency rule is likely to address the need.

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(5) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(5).

Sec. 4. The commission may employ or contract for additional investigators to oversee the gambling operations under this article.

Sec. 5. The commission shall require that a licensee's records concerning gambling operations be maintained in the manner and for the time prescribed by the commission.

Sec. 6. The commission may enter:

- (1) an establishment licensed under this article; or
- (2) an office, a facility, or other premises of a person holding an establishment license under this article;

where evidence of the compliance or noncompliance with this article is likely to be found.

Sec. 7. (a) Except as provided in subsection (c), the commission may take any of the following actions against a licensee that violates this article:

(1) Suspend, revoke, or restrict the license of the licensee.

(2) Impose a civil penalty set by the commission against a licensee for each violation of this article.

(b) If a licensee holding an establishment license issued under this article no longer holds a permit issued by the alcohol and tobacco commission, the commission shall revoke the establishment license.

(c) A license issued under this article is automatically revoked if the commission determines that a licensee has offered, installed, serviced, maintained, possessed, or otherwise made available to the public an electronic gaming device that is not licensed by the commission.

(d) A person whose license is revoked under subsection (c) may not be licensed under this article for three (3) years after the revocation.

Sec. 8. The commission shall adopt standards for the licensing of the following:

(1) Persons regulated under this article.

(2) Electronic gambling devices.

Sec. 9. The commission shall require a licensee conducting gambling operations authorized under this article to use a cashless wagering system in which a player's money is converted to tokens or electronic cards that may be used only for wagering on the premises of the licensee's establishment.

Sec. 10. The state police department shall assist the commission in conducting background investigations of applicants. The commission shall reimburse the state police department for the costs incurred as a result of the assistance. The commission shall make the payment from fees collected from applicants.

#### Chapter 4. Licensing of Establishments

Sec. 1. The commission may issue establishment licenses to applicants that satisfy the requirements of this article.

Sec. 2. (a) Except as provided in subsection (b) or (c), a person who operates an establishment licensed under IC 7.1-3 to sell alcoholic beverages to customers for consumption on the licensed premises is eligible to apply for an establishment license.

(b) A person holding a gaming site permit under IC 7.1-3-17.5 or a horse track permit under IC 7.1-3-17.7 may not apply for an establishment license issued under this article.

(c) The number of establishment licenses issued under this article may not exceed the total number of establishments described in subsection (a) that:

- (1) are operated by a person eligible to apply for an establishment license;
- (2) comply with the requirements of IC 4-36-5-10; and
- (3) are used in the business of selling alcoholic beverages to customers for consumption on the licensed premises as of July 1, 2007.

Sec. 3. (a) A person applying for an establishment license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee.

(b) An applicant must submit the following on forms provided by the commission:

- (1) If the applicant is an individual, two (2) sets of the individual's fingerprints.
- (2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The application must include at least the following:

- (1) The name and address of the applicant and of any person holding at least a one percent (1%) interest in the applicant.

(2) The applicant's consent to credit investigations and criminal record searches.

(3) Waivers and releases signed by the applicant that the commission believes are necessary to ensure a full and complete review of the application.

(d) An applicant shall furnish all information requested by the commission, including financial data and documents, certifications, consents, waivers, and individual histories.

(e) The commission shall review the applications for an establishment license under this chapter and shall inform each applicant of the commission's decision concerning the issuance of the establishment license.

(f) The costs of investigating an applicant for an establishment license under this chapter shall be paid from the application fee paid by the applicant.

(g) An applicant for an establishment license under this chapter must pay all additional costs:

- (1) associated with the investigation of the applicant; and
- (2) greater than the amount of the application fee paid by the applicant.

Sec. 4. The commission shall conduct or cause to be conducted a background investigation of each applicant for licensure.

Sec. 5. Criminal history record information obtained during the investigation of an individual must be maintained by the commission for the term of the license and for any subsequent license term.

Sec. 6. The commission may require that an application or other document submitted by an applicant or a licensee must be sworn to or affirmed before a notary public.

Sec. 7. The commission may not issue a license to an applicant who:

- (1) has knowingly made a false statement of material fact to the commission;
- (2) is found by the commission to lack the necessary financial stability or responsibility for licensure;
- (3) if an individual, is less than twenty-one (21) years of age on the date the application is received by the commission;
- (4) is on the most recent tax warrant list provided to the commission by the department;
- (5) if an individual, has been convicted of or entered a plea of guilty or nolo contendere to a felony in the ten (10) years preceding the date of license application, unless the commission determines that:
  - (A) the individual has been pardoned or the individual's civil rights have been restored;
  - (B) after the conviction or entry of the plea, the individual has engaged in the kind of law abiding commerce and good citizenship that would reflect well upon the integrity of the commission; or
  - (C) the individual has terminated a relationship with a person whose actions directly contributed to the conviction or entry of the plea;
- (6) if an individual, has been convicted of or entered a plea of guilty or nolo contendere to a violation of a gambling statute in any jurisdiction; or
- (7) fails to provide all materials requested by the commission.

However, the commission may determine that a waiver is warranted under the circumstances for an individual described in subdivision (6).

Sec. 8. Credit and security investigation information submitted in connection with an application for a license under this article is confidential and may not be disclosed except for official purposes under this article or under a judicial order.

Sec. 9. A license issued under this article may not be transferred without prior written approval of the

commission.

Sec. 10. (a) An establishment license issued under this chapter expires one (1) year after the date of issuance.

(b) An establishment license may be renewed for a fee and in the manner determined by the commission.

#### Chapter 5. Gambling Operations in an Establishment

Sec. 1. IC 7.1 and the rules adopted by the alcohol and tobacco commission apply to a person holding an establishment license.

Sec. 2. Subject to the provisions of this chapter, gambling may be conducted by a person holding an establishment license issued under this article on the premises of the establishment.

Sec. 3. (a) For each establishment license that is issued by the commission, the commission shall create and maintain a list of the following:

- (1) The name of the individual who signed the application for the license.
- (2) The name, address, and telephone number of the person holding the license.
- (3) The number of electronic gaming devices located at the establishment.
- (4) The serial number of each electronic gaming device located at the establishment.
- (5) The sticker numbers required under section 4(c) of this chapter.

(b) The list described in subsection (a) must be available for public inspection in the offices of the commission.

Sec. 4. (a) An establishment license issued under this article authorizes an establishment to install not more than the following number of electronic gaming devices:

- (1) Ten (10) in the case of an establishment that is a fraternal club (as defined in IC 7.1-3-20-7).
- (2) Five (5) in the case of an establishment that is not a fraternal club (as defined in IC 7.1-3-20-7).

(b) An establishment must pay the annual fee required under IC 4-36-6-1 for each electronic gaming device located on the premises of the establishment.

(c) The commission annually shall issue a sticker with a number for each licensed electronic gaming device. The establishment must place the sticker on each licensed electronic gaming device in a manner determined by the commission.

(d) A licensee may not possess more electronic gaming devices than the number permitted under subsection (a) unless the licensee holds a combination license issued under IC 4-36-10-5.

Sec. 5. (a) An establishment license issued under this article must be displayed conspicuously in the establishment.

(b) Gambling operations may not take place unless the establishment license is displayed conspicuously in the licensed establishment as required by subsection (a).

Sec. 6. Minimum and maximum wagers on gambling games shall be determined by the commission.

Sec. 7. A person who has been issued an establishment license may not permit any form of wagering on gambling games except as permitted under this article.

Sec. 8. Wagers may be received only from a person present on the premises of the licensed establishment. A person present on the premises of the licensed establishment may not place or attempt to place a wager on behalf of another person who is not present on the premises of the licensed establishment.

Sec. 9. Wagering may not be conducted with money or other negotiable currency.

Sec. 10. Gambling operations authorized under this article must be:

- (1) concealed from the view of a person who is less than twenty-one (21) years of age; and
- (2) conducted in a room that is inaccessible to a person

who is less than twenty-one (21) years of age.

Sec. 11. (a) A person who is less than twenty-one (21) years of age may not make a wager under this article.

(b) A person who is less than twenty-one (21) years of age may not be present in the area of an establishment licensed under this article where gambling is being conducted.

Sec. 12. (a) All tokens or electronic cards that are used to make wagers must be purchased from the person holding an establishment license on the premises of the licensed establishment.

(b) The tokens, chips, or electronic cards may be purchased by means of an agreement under which the licensee extends credit to the patron.

Sec. 13. Tokens or electronic cards may be used while on the premises of the licensed establishment only to make wagers on gambling games authorized under this article.

Sec. 14. An electronic gaming device licensed under this article must pay out:

(1) at least eighty-five percent (85%); and

(2) not more than one hundred percent (100%);  
of the amount wagered.

Sec. 15. Wagering may not be conducted on an electronic gaming device under this article unless the electronic gaming device is connected to a central computer system approved by the commission.

#### Chapter 6. Fees

Sec. 1. A licensee shall annually pay a fee of five hundred dollars (\$500) for each electronic gaming device that the licensee operates in the licensee's establishment.

Sec. 2. Fees collected under this chapter must be deposited in the electronic gaming fund established by IC 4-36-9-2.

Sec. 3. A local governmental authority may not charge an additional fee or charge for the licensing of suppliers or establishments under this article.

#### Chapter 7. Operation of Electronic Gaming Devices

Sec. 1. Electronic gaming devices and equipment associated with electronic gaming devices must be maintained and serviced in the manner and condition required by the commission.

Sec. 2. (a) An establishment licensee is responsible for keeping a written service log in each of the electronic gaming devices. The log must be located in the main cabinet access area of the device's terminal.

(b) An individual, including an employee or agent of the commission, who gains entry into any internal space of an electronic gaming device shall sign the log and indicate the time, date, and purpose of entry, the electronic and mechanical meter readings, and the parts of the terminal inspected or repaired.

(c) Service log forms must be obtained from the commission and be retained by an establishment during the time that the electronic gaming device is being used for gambling operations and for at least one (1) year after the electronic gaming device is removed from service.

(d) Service logs created under this section must be available for immediate inspection by an employee or agent of the commission upon request.

Sec. 3. The commission may inspect an electronic gaming device terminal before the device or terminal is placed in operation to ensure that the electronic gaming device is in compliance with this article and the rules of the commission.

Sec. 4. An electronic gaming device must display prominently a table listing the available prizes and the odds of winning.

Sec. 5. (a) A licensee shall maintain records of the electronic gaming devices the licensee owns or leases. The records shall be made available to the commission upon request and must be sufficient to ensure that the electronic gaming device is operated in compliance with this article and the rules of the commission.

(b) The records required under this section must be held by the licensee during the time that each electronic gaming device is located in Indiana and for at least one (1) year after the device is no longer being used for gambling operations.

#### Chapter 8. Electronic Gaming Wagering Tax

Sec. 1. (a) A tax is imposed on the adjusted gross receipts received from electronic gaming wagering authorized under this article at the rate of thirty percent (30%) of the amount of adjusted gross receipts.

(b) The licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

(c) The department shall require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) The department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

Sec. 2. (a) The commission shall require a licensee to establish electronic funds transfer accounts in conjunction with the licensee's bank account for purposes of making payments under this chapter. Taxes collected under this chapter must be deposited promptly and available to the department in accordance with section 1(b) of this chapter.

(b) Money deposited in the licensee's account must remain unencumbered and unpledged.

Sec. 3. The department shall deposit tax revenue collected under this chapter in the electronic gaming fund established by IC 4-36-9-2.

#### Chapter 9. Electronic Gaming Fund and Disbursement of Fund Money

Sec. 1. As used in this chapter, "fund" refers to the electronic gaming fund established by section 2 of this chapter.

Sec. 2. The electronic gaming fund is established. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

Sec. 3. There is annually appropriated to the commission from the fund an amount sufficient to administer this article.

Sec. 4. The fund consists of:

(1) licensing fees deposited into the fund under IC 4-36-6-2; and

(2) taxes deposited into the fund under IC 4-36-8-2.

Sec. 5. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from those investments shall be deposited in the fund.

Sec. 6. (a) After funds are appropriated under section 3 of this chapter, each month the treasurer of state shall distribute the taxes remitted by a licensee under IC 4-36-8-1 as follows:

(1) Sixty percent (60%) to the state general fund.

(2) Forty percent (40%) to the county treasurer of the county in which the licensee's gambling operation is located.

(b) The county auditor shall distribute the money received by the county under subsection (a) as follows:

(1) To each city located in the county, according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county, according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

#### Chapter 10. Electronic Gaming Device Manufacturers and Distributors

Sec. 1. This chapter applies only to electronic gaming

devices approved by the commission for gambling operations conducted under this article.

Sec. 2. As used in this chapter, "supplier" means a person holding either:

- (1) a distributor's license; or
- (2) a combination license.

Sec. 3. The commission may issue a manufacturer's license under this chapter to a person if:

- (1) the person has:
  - (A) applied for the manufacturer's license;
  - (B) paid a nonrefundable application fee set by the commission;
  - (C) paid a ten thousand dollar (\$10,000) annual manufacturer's license fee; and
  - (D) submitted, on forms provided by the commission, two (2) sets of:
    - (i) the individual's fingerprints, if the applicant is an individual; or
    - (ii) fingerprints for each officer and director of the applicant, if the applicant is not an individual; and
- (2) the commission has determined that the applicant is eligible for a manufacturer's license.

Sec. 4. The commission may issue a distributor's license under this chapter to a person if:

- (1) the person has:
  - (A) applied for the distributor's license;
  - (B) paid a nonrefundable application fee set by the commission;
  - (C) paid a five thousand dollar (\$5,000) annual distributor's license fee; and
  - (D) submitted, on forms provided by the commission, two (2) sets of:
    - (i) the individual's fingerprints, if the applicant is an individual; or
    - (ii) fingerprints for each officer and director of the applicant, if the applicant is not an individual; and
- (2) the commission has determined that the applicant is eligible for a distributor's license.

Sec. 5. The commission may issue a combination license under this chapter to a person if:

- (1) the person has:
  - (A) applied for both:
    - (i) a distributor's license; and
    - (ii) an establishment license;
  - (B) paid a nonrefundable application fee set by the commission;
  - (C) paid a five thousand dollar (\$5,000) annual combination license fee; and
  - (D) submitted, on forms provided by the commission, two (2) sets of:
    - (i) the individual's fingerprints, if the applicant is an individual; or
    - (ii) fingerprints for each officer and director of the applicant, if the applicant is not an individual; and
- (2) the commission has determined that the applicant is eligible for a combination license.

Sec. 6. A person may not receive a license under this chapter if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;
- (2) the person has knowingly or intentionally submitted an application for a license under this article that contains false information;
- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

- (A) is described in subdivision (1), (2), or (3); or
- (B) participates in the management or operation of gambling operations authorized under this article;
- (6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or
- (7) a license issued to the person:
  - (A) under this article;
  - (B) under IC 4-33-7; or
  - (C) to supply gaming supplies in another jurisdiction;
 has been revoked.

Sec. 7. A holder of a manufacturer's license may:

- (1) manufacture electronic gaming devices for use in Indiana; and
- (2) do any of the following:
  - (A) Sell an electronic gaming device to a distributor
  - (B) Lease an electronic gaming device to a distributor.
  - (C) Contract to sell or lease an electronic gaming device to a distributor.

Sec. 8. A supplier may:

- (1) sell;
- (2) lease; or
- (3) contract to sell or lease;

an electronic gaming device to a licensee.

Sec. 9. A person may not furnish electronic gaming devices to a licensee unless the person possesses either:

- (1) a distributor's license; or
- (2) a combination license.

Sec. 10. An electronic gaming device may not be distributed for use under this article unless the electronic gaming device conforms to standards adopted by the commission.

Sec. 11. (a) A supplier shall furnish to the commission a list of all electronic gaming devices offered for sale or lease in connection with gambling games authorized under this article.

(b) A supplier shall keep books and records for the furnishing of electronic gaming devices to licensees. The books and records required under this subsection must be kept separate from the books and records of any other business operated by the distributor.

(c) A supplier shall file a quarterly return with the commission listing all sales and leases.

(d) A supplier shall permanently affix the supplier's name to all electronic gaming devices that the supplier provides to licensees under this chapter.

Sec. 12. If the commission determines that a supplier's electronic gaming device has been used by a person in an unauthorized gambling operation, the electronic gaming device shall be forfeited to the state.

Sec. 13. Electronic gaming devices operated under this article may be:

- (1) repaired on the premises of a licensee; or
- (2) removed for repair from the licensee's establishment to another facility owned by the licensee.

Sec. 14. (a) Unless a license issued under this chapter is suspended, expires, or is revoked, the license may be renewed annually upon:

- (1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and
- (2) a determination by the commission that the holder of the license is in compliance with this article.

(b) The commission shall conduct a complete investigation of each person holding a license issued under this chapter every three (3) years to determine whether the person is in compliance with this article.

(c) Notwithstanding subsection (b), the commission may

investigate the holder of a license issued under this chapter at any time the commission determines it is necessary to ensure that the holder of the license is in compliance with this article.

(d) A person:

- (1) investigated or reinvestigated under this section; or
- (2) subject to any investigation resulting from a potential transfer of ownership;

shall bear the cost of the investigation or reinvestigation.

Sec. 15. The commission shall transfer:

- (1) fees collected under this chapter; and
- (2) all investigation costs recovered under this chapter;

to the treasurer of state for deposit in the state general fund.

#### Chapter 11. Crimes and Penalties

Sec. 1. A person who knowingly or intentionally:

- (1) makes a false statement on an application submitted under this article;
- (2) operates a gambling operation in which wagering is conducted or is to be conducted in a manner other than the manner required under this article;
- (3) permits a person less than twenty-one (21) years of age to make a wager;
- (4) aids, induces, or causes a person less than twenty-one (21) years of age to enter or attempt to enter an area in which gambling operations are being conducted; or
- (5) wagers or accepts a wager at a location other than the person's licensed establishment;

commits a Class A misdemeanor.

Sec. 2. A person who knowingly or intentionally does any of the following commits a Class D felony:

- (1) Offers, promises, or gives anything of value or benefit:
  - (A) to a person who is connected with the owner of an establishment licensed under this article, including an officer or an employee of an owner of an establishment licensed under this article; and
  - (B) under an agreement to influence or with the intent to influence:
    - (i) the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game; or
    - (ii) an official action of a commission member.
- (2) Solicits, accepts, or receives a promise of anything of value or benefit:
  - (A) while the person is connected with an establishment licensed under this article, including an officer or employee of a licensee; and
  - (B) under an agreement to influence or with the intent to influence:
    - (i) the actions of the person to affect or attempt to affect the outcome of a gambling game; or
    - (ii) an official action of a commission member.

(3) Cheats at a gambling game.

(4) Manufactures, sells, or distributes any cards, chips, dice, game, or device that is intended to be used to violate this article.

(5) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before the outcome is revealed to the players.

(6) Places a bet on the outcome of a gambling game after acquiring knowledge that:

- (A) is not available to all players; and
- (B) concerns the outcome of the gambling game that is the subject of the bet.

(7) Aids a person in acquiring the knowledge described in subdivision (6) to place a bet contingent on the outcome of a gambling game.

(8) Claims, collects, takes, or attempts to claim, collect, or take money or anything of value in or from a gambling game:

(A) with the intent to defraud; or

(B) without having made a wager contingent on winning a gambling game.

(9) Claims, collects, or takes an amount of money or thing of value of greater value than the amount won in a gambling game.

(10) Uses counterfeit tokens in a gambling game.

(11) Possesses counterfeit tokens for use in a gambling game.

(12) Possesses a key or device designed for:

(A) opening, entering, or affecting the operation of a gambling game, a drop box, or an electronic or a mechanical device connected with the gambling game; or

(B) removing coins, tokens, or other contents of a gambling game.

This subdivision does not apply to a licensee or an employee of a licensee acting in the course of the employee's employment.

(13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

Sec. 3. The possession of more than one (1) of the devices described in section 2(4), 2(11), 2(12), or 2(13) of this chapter creates a rebuttable presumption that the possessor intended to use the devices for cheating."

Page 34, line 27, after "(IC 4-35-8);" insert " the electronic gaming wagering tax (IC 4-36-8);".

Page 38, line 38, delete "or".

Page 38, line 39, delete "." and insert "; or".

Page 38, between lines 39 and 40, begin a new line block indented and insert:

"(4) an electronic gambling game operated in accordance with IC 4-36."

Page 39, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 27. IC 35-45-5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. This chapter does not apply to gambling on electronic gaming devices licensed for use in an establishment under IC 4-36."

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

BELL

After discussion, Representative Bell withdrew the motion.

There being no further amendments, the bill was ordered engrossed.

## OTHER BUSINESS ON THE SPEAKER'S TABLE

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 155, 156, 193, 289, 328, 379, 450, 463, 487, 506, 526, 536, 550, 567, and 568 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL  
Principal Secretary of the Senate

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Joint Resolution 14 and the same is herewith transmitted to the House for further

action.

MARY C. MENDEL  
Principal Secretary of the Senate

#### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 37 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL  
Principal Secretary of the Senate

### RESOLUTIONS ON FIRST READING

#### Senate Concurrent Resolution 37

The Speaker handed down Senate Concurrent Resolution 37, sponsored by Representatives Summers, Mays, Welch, and T. Harris:

A CONCURRENT RESOLUTION honoring Dr. Alveda C. King.

*Whereas, Dr. Alveda C. King is the daughter of the late civil rights activist Reverend A.D. King and the niece of Reverend Doctor Martin Luther King Junior. She lived through the zenith of the American Civil Rights Movement, and has made many important contributions of her own;*

*Whereas, Dr. Alveda C. King is a former Georgia State Representative, college professor and best selling author. She has served as a Senior Fellow of the Alexis de Tocqueville Institute and as a board member of the Coalition of African American Pastors;*

*Whereas, At present, Dr. Alveda C. King is a minister of the Gospel of Jesus Christ and serves as Director of African American Outreach for Gospel of Life. She also works with the Africa Humanitarian Christian Fellowship; and*

*Whereas, Dr. Alveda C. King founded King for America, Incorporated to assist people in enriching their lives spiritually, personally, mentally and economically. Her work for the glorification of God in issues that face society today is worthy of recognition: Therefore,*

*Be it resolved by the Senate  
of the General Assembly of the State of Indiana,  
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly honors Dr. Alveda C. King, and wishes her continued success in her work.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to Dr. Alveda C. King.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

### OTHER BUSINESS ON THE SPEAKER'S TABLE

#### PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on Representative Espich's second reading amendment to House Bill 1001, Roll Call 206, on February 21, 2007. In support of this petition, I submit the following reason:

"My vote was not recorded. I intended to vote yea."

#### BORDERS

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 206 to 47 yeas, 50 nays.*]

#### PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on the third reading of Engrossed House Bill 1647, Roll Call 209, on February 22, 2007. In support of this petition, I submit the following reason:

"I was present, but when I attempted to vote, I inadvertently pushed the nay button. I intended to vote yea."

#### SUMMERS

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 209 to 94 yeas, 0 nays.*]

#### HOUSE MOTION

Mr. Speaker: I move that Representative Fry be removed as author and Representative Hoy be removed as coauthor of House Bill 1159, Representative Hoy be substituted as author, and Representative Fry be added as coauthor.

FRY

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Fry be removed as author of House Bill 1161, Representative Tyler be substituted as author.

FRY

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Ulmer added as coauthor of House Bill 1175.

DVORAK

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Stilwell added as coauthor of House Bill 1221.

CHENEY

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Pelath added as coauthor of House Bill 1459.

PORTER

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representatives Kuzman and T. Harris added as coauthors of House Bill 1461.

BOSMA

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Buell added as coauthor of House Bill 1480.

KUZMAN

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Stilwell added as coauthor of House Bill 1488.

CHENEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Mays added as coauthor of House Bill 1653.

DEMBOWSKI

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Mays, Welch, and Dembowski added as coauthors of House Bill 1830.

AUSTIN

Motion prevailed.

On the motion of Representative Dermody, the House adjourned at 11:30 p.m., this twenty-second day of February, 2007, until Friday, February 23, 2007, at 10:00 a.m.

B. PATRICK BAUER

Speaker of the House of Representatives

CLINTON McKAY

Principal Clerk of the House of Representatives